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25 January 1964

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CENTRAL

INTELLIGENCE

BULLETIN



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State Dept. review completed

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25 January 1964

CENTRAL INTELLIGENCE BULLETIN

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Cyprus: The British have revealed the outlines of a compromise plan for resolving the Cyprus dispute.

The plan, conceived in general terms, is an attempt to find some common ground between the seemingly irreconcilable demands put forward in London by the two Cypriot delegations. Should there be any sort of informal agreement on the plan behind the scenes, the British intend to bring up their proposals in the more formal joint working party sessions of the conference. The British have indicated that there has been virtually no progress so fan.

(The plan provides for a unitary state and an international peace-keeping force. It also calls for reconstitution of the police and reorganization of the government and courts. It would permit movement of Turkish Cypriots and Greek Cypriots so that mixed villages might be eliminated)

The British plan apparently does not deal with the future of the Greek and Turkish army contingents on Cyprus. Removal of these contingents has been one of the basic demands of the Greek Cypriots. The Turkish Cypriots and the Turkish Government, however, refuse to even consider removal of the Turkish forces. The Turkish counselor of embassy in Athens recently told an American official that his government insisted on Turkish troops remaining on Cyprus because the security of Turkey precludes running the risk that the strategically located island might fall into "unfriendly" hands

Reports from Nicosia indicate the Greek Cypriot leaders are continuing to prepare their case against "Turkish intervention" for presentation to the UN if and when the London conference collapses. A left-wing associate of President Makarios may soon be sent to the nonaligned countries of Asia and Africa to line up support for the Greek Cypriots.

*East Africa: (British marines landed in Tanganyika early this morning as Tanganyika's President Nyerere, following the example of Uganda and Kenya requested British intervention to insure law and order

Nyerere may realize that the government's failure to discipline the army mutineers earlier this week has increased the probability of an outbreak of lawlessness. The army's newly appointed African leaders are not in firm control of the troops. Apparently egged on by unidentified agitators in civilian clothes, the soldiers have become more vehement in their demands!

 $/\!\!\!/$ The British High Commissioner told Nyerere that the police were also becoming restive and would probably side with the army in any further violence, and he pointed out that a rumored dockworkers' strike this weekend could spread through the leftist influenced labor unions. He persuaded Nyerere that unless the British intervened to restore discipline the situation would get completely out of hand. It is not clear whether Defense Minister Kambona concurred in Nyerere's request

Nyerere seemed concerned that the impression abroad was of his vacillation in comparison with the decisive action of Uganda's President Obote. The latter had immediately called in British troops when a dispute over pay rates broke out briefly in the main Ugandan army camp. Obote's earlier security precautions, including the locking of the camp's armory, probably prevented a more serious outbreak

(Uganda and Kenya both contain dissatisfied and extremist elements which are being exploited by Communist representatives and sympathizers.

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leaders have had their eyes opened by events in neighboring Zanzibar and Tanganyika and may crack down on the free-wheeling leftists in their governments. Prime Minister Kenyatta is taking steps to improve Kenya's internal security and is receiving British military help in maintaining order. Last night an attempted revolt by a battalion of the Kenya Rifles was suppressed by British troops.

Libya: King Idris' dismissal of Premier Fikini and the appointment of the conservative Mahmud Muntassir in his place has not calmed popular passions inflamed by the police shooting of several student demonstrators last week

A riot in a Tripolitanian town on 23 January was reportedly directed not only against the new government but also, for the first time in Libyan history, against the King himself. The police used considerable force to disperse this latest demonstration, and news of their action may well trigger further disorders in the city of Tripolit

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South Vietnam: Labor agitation is adding to the problems of the new government.

Responsible labor leaders and government officials fear that the government may be forced to crack down on labor, as it has on some newspapers and on student demonstrators, unless the rash of strikes and labor troubles subsides. The US Embassy believes much of the trouble stems from a proliferation of new unions, many of them inexperienced, and from an accumulation of grievances under the Diem regime.

The most serious situation involves strikes by about 2,000 workers in three textile plants. Troops recently had to restore order after violence in one plant where workers rejected mediation efforts by the Labor Ministry and by the General Confederation of Vietnamese Labor (CVTC)—the country's leading union. Workers in several other industries are threatening strikes to demand new—year bonuses.

Several new Saigon newspapers are playing up some union leaders' attacks on the new government and their accusations that the moderate CVTC was a tool of the former regime.

Although management personnel and some govern-
ment leaders claim the Viet Cong are behind labor dis
turbances, there is no firm evidence of Communist
involvement.

Guatemala - British Honduras: A new flare-up in Guatemala's dispute with the UK over British Honduras could occur within the next few weeks

US Ambassador Bell in Guatemala City thinks this may be the case unless the British become more attentive to Guatemalan sensitivities. Guatemala last month modified its insistence on annexing British Honduras, suggesting instead that some sort of "federation" be worked out.

In the ambassador's view, if the UK does not take some steps toward a solution, the stage would be set for some new Guatemalan initiative. Since diplomatic relations with London have already been broken, this might take the form of a suspension of economic relations with the UK or eventually even a military move against the colony.

Complicating the picture is an unresolved Mexican claim to a part of British Honduras, and the anti-Guatemalan attitude of the local people who were given full internal self-government on 1 January. The recent publication in Guatemala, for example, of a strongly anti-Guatemalan statement attributed to the British Honduran premier prompted an angry official reply. This incident could be the first of a series of exchanges leading up to a new crisis.

<u>Brazil-USSR</u>: Brazil may still be considering the establishment of regular air service with the Soviet Union and perhaps other bloc countries.

Brazil's new civil aeronautics director reportedly discussed the matter with Soviet officials during his November visit to the USSR, and press reports have stated that the Brazilian Air Ministry has requested a feasibility study on air routes to the bloc.

Meanwhile, the president of one of Brazil's overseas airlines, who has made at least two trips to Moscow on airline business, is attempting to persuade the government to conclude a bilateral air agreement with Moscow.

The US Embassy believes that the conclusion of a US-USSR air agreement would not only provide added impetus to the movement in Brazil for a similar agreement, but would render the Brazilian Government impervious to arguments against it.

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*Cuba-USSR: Castro, in his 24 January report on his visit to the USSR, sought to create the impression that the purpose of the trip was almost exclusively economic.

He spent most of the speech describing the advantages of the long-term sugar agreement with the USSR guaranteeing Cuba against fluctuations in the world market price. He challenged the US to do as well for its suppliers of raw materials.

In an attempt to reap propaganda advantage from the recent events in Panama, Castro offered to contribute to a joint Latin American fund to supply that country with as much economic support as it now gets from the US.

Ambassador Kohler describes the Castro visit, as reflected in the joint communiqué, as a noteworthy Soviet success. He points out, however, that the Soviets are probably keeping their fingers crossed, recalling that Castro is much harder to handle in Havana than in Moscow.

Castro's specific endorsement of Soviet positions on several key issues dividing Moscow and Peiping represents a change in his earlier professed neutrality on the Sino-Soviet dispute.

Castro's support of Moscow was spelled out in the joint communiqué issued at the end of his recent visit in the Soviet Union. He endorsed the Soviet interpretation of the pronouncements of the Moscow Communist party conferences of 1957 and 1960, and specifically approved Soviet measures to strengthen the unity of the international Communist movement. Castro further agreed that Moscow's "peaceful coexistence" policy has brought about "a certain easing of international tensions." Castro also sided with the Soviets on the nuclear test ban treaty, characterizing it as a step toward "peace and disarmament."

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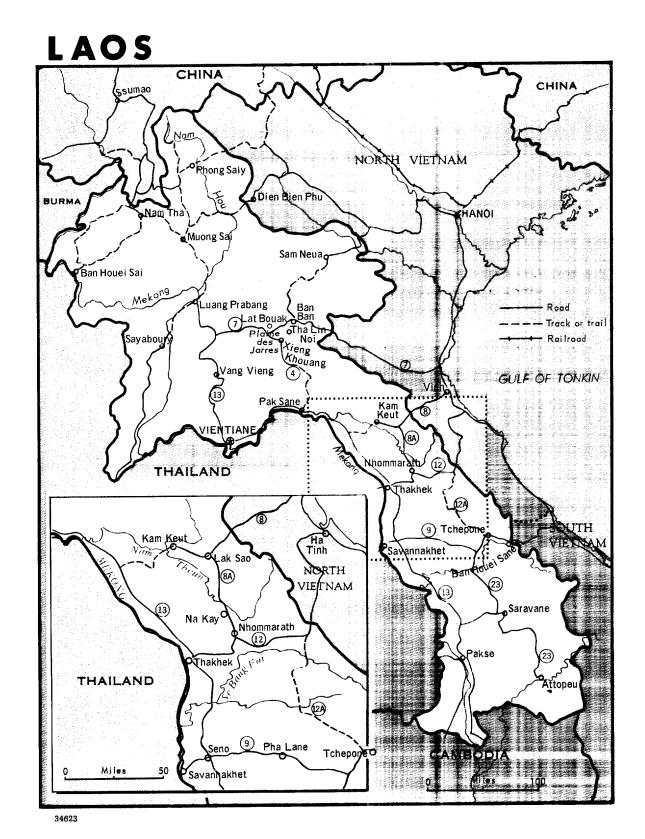
Mexico - Communist China: The Lopez Mateos government is considering the possibility of recognizing Communist China, according to a Mexican newspaper with good contacts in the administration. The newspaper also reports that a Mexican parliamentary delegation headed by Senate President Manuel Moreno, a powerful figure in the government, will be leaving Mexico on 1 February for a three-week tour of the Chinese mainland.	25X1
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France-Cuba: Paris has agreed to guarantee private credits, amounting to \$8 million repayable in three years' time, to cover the sale of trucks and tractors to Cuba. It will not, however, guarantee credit for another pending deal involving 20 locomotives. Although there has been considerable French speculation that an upswing in French-Cuban commercial transactions is in the making, a Foreign Ministry official claimed again on 23 January that no long-term change in the restrictive French credit policy is intended.	
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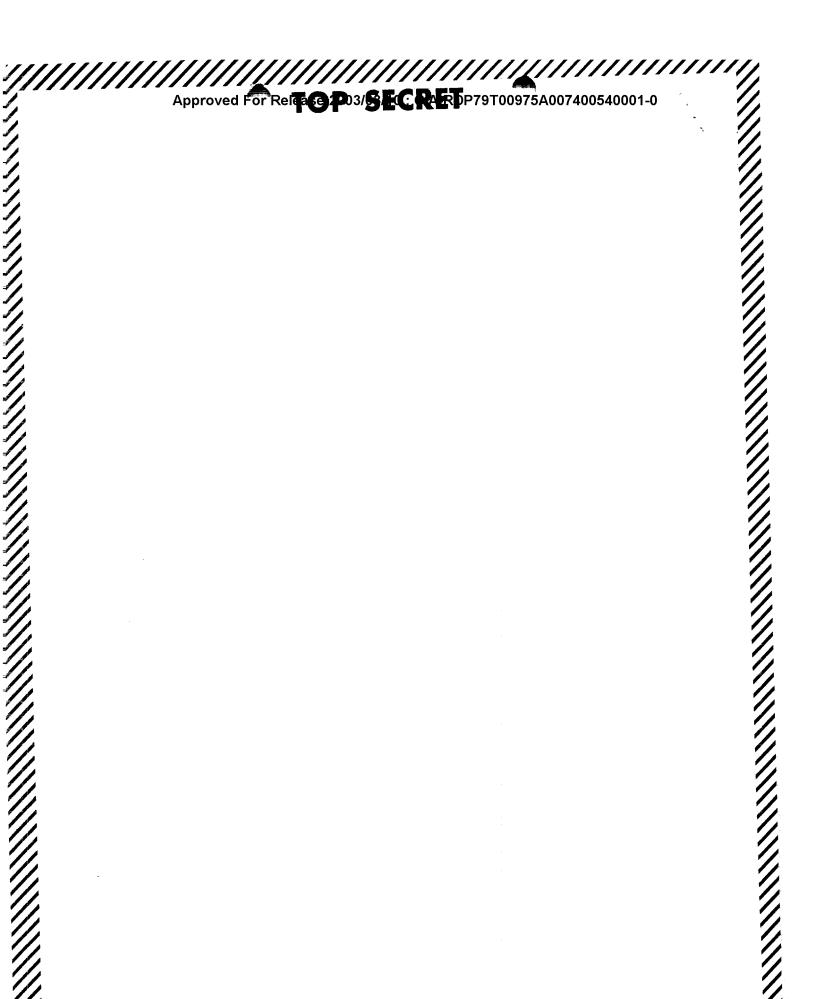
Bulgaria: African students in Bulgaria appear to be planning demonstrations which might lead to a repetition of the riot they staged in Sofia on 12 February 1963. A disillusioned Kenyan student has told the US Legation that news of African students' difficulties in Moscow had encouraged him and his friends to take action and that "something big" was sure to happen in Sofia soon. He said five Kenyans had left for home this week and 20 others were refusing to attend classes.

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Laos - South Vietnam: General Phoumi and Saigon military leaders evidently are trying to develop coordinated opposition to Communist operations in the South Vietnam - Laos border area. Phoumi discussed plans for joint action with South Vietnamese armed forces chief General Don in Bangkok last week, and planned to visit South Vietnam yesterday and today for further talks. Communist pressure against the Laotian garrison at Ban Houei Sane, east of Tchepone near the South Vietnamese border, has given added urgency to such moves.

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Latin America: The inaugural congress of the Communist-dominated Single Center of Latin American Workers (CUTAL) will not be held in Belo Horizonte, Brazil, because of the local public's hostile attitude. Some forty delegates have flown to Brasilia, presumably in hopes of holding the congress there today if they get permission to hold a public meeting.



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